

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02479A

**Lord AZ Water Systems, Inc**

PO Box 3048  
Shawlow, AZ 85901

RECEIVED

APR 17 2008

W. J. OVERHOLM  
Director Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2007
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FOR COMMISSION USE

4-17-08

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> Lord AZ Water Systems, Inc.		
Mailing Address P.O. Box 3048		
(Street)		
Show Low	AZ	85901
(City)	(State)	(Zip)
Telephone No. (Include Area Code)		
Fax No. (Include Area Code)		
Cell No. (Include Area Code)		
Email Address		
Local Office Mailing Address		
(Street)		
(City)	(State)	(Zip)
Local Office Telephone No. (Include Area Code)		
Fax No. (Include Area Code)		
Cell No. (Include Area Code)		
Email Address		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> Thomas Lord President			
(Name)		(Title)	
Same as Above			
(Street)	(City)	(State)	(Zip)

9285371557

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address

On Site Manager: Thomas Lord

(Name)

2961 E. Cooley Showlow Ar 85901

(Street)

(City)

(State)

(Zip)

9285371557

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

<b>Statutory Agent:</b> <u>Thomas V. Lord</u>			
(Name)			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Attorney:</b> <u>Douglas Brown</u>			
(Name)			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b> _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### **COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

- |  |                                   |                                   |
|--|-----------------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE  | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA              | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ            | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO            | <input type="checkbox"/> PIMA     | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ        | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE         |                                   |                                   |

COMPANY NAME

Lord Ar Water Systems Inc

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	24,300		24,300
304	Structures and Improvements	25,750	2,039	23,711
307	Wells and Springs	78,076	12,362	65,714
311	Pumping Equipment	23,976	11,561	12,415
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	46,017	46,017	0
331	Transmission and Distribution Mains	782,542	329,312	453,230
333	Services			
334	Meters and Meter Installations	4,978	4,978	0
335	Hydrants	8,200	3,180	5,020
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>993,839</b>	<b>409,449</b>	<b>584,390</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Lord Ar Water Systems Inc

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	24,300	LAND	0
304	Structures and Improvements	25,750	VARIOUS	751
307	Wells and Springs	78,076	VARIOUS	4,554
311	Pumping Equipment	23,976	VARIOUS	9,895
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	46,017	VAROUS	0
331	Transmission and Distribution Mains	782,542	S/L 20	32,058
333	Services			
334	Meters and Meter Installations	4,978	VARIOUS	0
335	Hydrants	8,200	7 YEARS	1,172
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	993,839		48,430

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
 Acct. No. 403.

COMPANY NAME *Lord Az. Water Systems Inc.*

**BALANCE SHEET**

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$	\$
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	20,200	
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$	\$
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$993,839	\$993,839
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(459,343)	(409,449)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$534,496	\$584,390
	<b>TOTAL ASSETS</b>	<b>\$554,696</b>	<b>\$584,390</b>

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

Lord Ar Water Systems Inc

**BALANCE SHEET (CONTINUED)**

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR



COMPANY NAME

Lord Az Water Systems Inc

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$121,448	\$134,680
460	Unmetered Water Revenue		
474	Other Water Revenues	28,173	1,686
	<b>TOTAL REVENUES</b>	<b>\$149,621</b>	<b>\$136,366</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$27,396	\$38,015
610	Purchased Water	5,005	9,756
615	Purchased Power	14,239	14,381
618	Chemicals		
620	Repairs and Maintenance	18,629	
621	Office Supplies and Expense	8,697	5,138
630	Outside Services	13,095	8,988
635	Water Testing	31,607	9,724
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	2,885	
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense	38,194	48,430
408	Taxes Other Than Income	13,415	11,983
408.11	Property Taxes		
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$173,162</b>	<b>\$146,415</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$(23,541)</b>	<b>\$(10,049)</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$</b>	<b>\$</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$(23,541)</b>	<b>\$(10,049)</b>

	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)	467,209	507,720
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	5,575	5,500
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$472,784</b>	<b>\$513,220</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	693	
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$693</b>	<b>\$</b>
	<b>TOTAL LIABILITIES</b>	<b>\$473,477</b>	<b>\$513,220</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$6,100	\$6,100
211	Paid in Capital in Excess of Par Value	425,299	425,299
215	Retained Earnings	(350,180)	(360,229)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	<b>\$81,219</b>	<b>\$71,170</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$554,696</b>	<b>\$584,390</b>

COMPANY NAME

*Lord Ar Water Systems Inc***SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ \_\_\_\_\_

<b>COMPANY NAME</b>	Lord Ar Water Systems Inc		
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>		
Wilderness - Winchester	01373		01047

### WATER COMPANY PLANT DESCRIPTION

#### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55505642	10	30	800	6	3	1985
55504124	5	25	825	4		1982
55504318	10	30	1000	6	3	1985

\* Arizona Department of Water Resources Identification Number

#### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Cedar Grove	45	

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	2	4	
15	2		
2	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
20,000	1	2000	2
10,000	1	119	2
1,5000	2		

**Note: If you are filing for more than one system, please provide separate sheets for each system.**

<b>COMPANY NAME</b>	<i>LORD AZ Water Systems Inc</i>		
<b>Name of System:</b>		<b>ADEQ Public Water System Number:</b>	

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

MAINS			CUSTOMER METERS	
Size (in inches)	Material	Length (in feet)	Size (in inches)	Quantity
2			5/8 X 3/4	
3			3/4	
4			1	
5			1 1/2	
6			2	
8			Comp. 3	
10			Turbo 3	
12			Comp. 4	
			Tubo 4	
			Comp. 6	
			Tubo 6	

**For the following three items, list the utility owned assets in each category for each system.**

**TREATMENT EQUIPMENT:**

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**STRUCTURES:**

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OTHER:

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***Note: If you are filing for more than one system, please provide separate sheets for each system.***

<b>COMPANY NAME:</b> <span style="font-family: cursive; font-size: 1.2em;">Lord Az Water Systems Inc</span>		
<b>Name of System:</b> <span style="font-family: cursive;">Winchester &amp; Wilderness</span>	<b>ADEQ Public Water System Number:</b> <span style="font-family: cursive;">01047      01373</span>	

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007**

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	341	.		6400
FEBRUARY	340	1260		40600
MARCH	340	1136		37000
APRIL	343	2466		200000
MAY	349	2069		200000
JUNE	353	2406		200000
JULY	353	2390		214000
AUGUST	354	2117		214000
SEPTEMBER	357	1634		547000
OCTOBER	357	1735		157000
NOVEMBER	357	2652		191000
DECEMBER	358	1880		44000
<b>TOTALS →</b>		23903		3416

What is the level of arsenic for each well on your system?  
*(If more than one well, please list each separately.)*

$< .001$   
 $< .003$   
 $< .003$  mg/l

If system has fire hydrants, what is the fire flow requirement? \_\_\_\_\_ GPM for \_\_\_\_\_ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

( ) Yes

(X) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes

☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes

☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***



COMPANY NAME Lord A2 Water Systems Inc YEAR ENDING 12/31/2007

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2007 was: \$ \_\_\_\_\_

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

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**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

RECEIVED  
APR 11 2008  
AZ CORP COMM  
Director Utilities

**VERIFICATION**

STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)
<u>APACHE</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>PRESIDENT</u>
COMPANY NAME
<u>LORD ARIZONA WATER SYSTEMS INC</u>

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

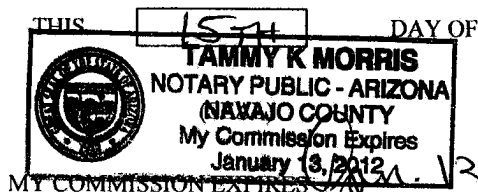
I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

*Thomas V Ford*  
SIGNATURE OF OWNER OR OFFICIAL  
928 5371557  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



COUNTY NAME
<u>NAVAJO</u>
MONTH
<u>APRIL</u> <u>2008</u>

*Tammy K Morris*  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES Jan 13, 2012



**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

RECEIVED  
APR 23 2008  
ARIZONA CORPORATION COMMISSION  
UTILITY UTILITIES

**VERIFICATION**

STATE OF Ar

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Apache</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Thomas V. Lord</u> <u>President</u>
COMPANY NAME <u>Lord Arizona Water Systems Inc</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2007

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:**

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>136,366</u>

**(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 8476.86  
IN SALES TAXES BILLED, OR COLLECTED)**

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Thomas V. Lord  
SIGNATURE OF OWNER OR OFFICIAL  
928 5371557  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

COUNTY NAME <u>NAVAJO</u>
---------------------------

**INDIVIDUAL ACKNOWLEDGMENT**

RECEIVED

APR 29 2008

State/Commonwealth of Arizona }  
County of Navajo } ss.

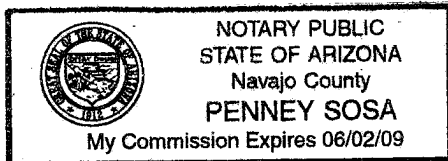
AZ CORP COMM  
Director Utilities

On this the 28 day of April, 2008, before  
me, Penney Sosa, the undersigned Notary  
Public, personally appeared Thomas V. Lord  
Name of Notary Public Name(s) of Signer(s)

☐ personally known to me – OR –

☐ proved to me on the basis of satisfactory  
evidence

to be the person(s) whose name(s) is/are  
subscribed to the within instrument, and  
acknowledged to me that he/she/they  
executed the same for the purposes therein  
stated.



WITNESS my hand and official seal.

Penney Sosa  
Signature of Notary Public  
Penney Sosa  
Other Required Information (Printed Name of Notary, Residence, etc.)

Place Notary Seal and/or Any Stamp Above

**OPTIONAL**

Although the information in this section is not required by law, it may prove valuable to  
persons relying on the document and could prevent fraudulent removal and reattachment  
of this form to another document.

**Description of Attached Document**Title or Type of Document: Verification & Sworn StatementDocument Date: 4-28-08 Number of Pages: 1

Signer(s) Other Than Named Above: \_\_\_\_\_

